

**Economic Impact Statement**  
LSA Document #13-530

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

Under [IC 4-22-2.1-1](#), this memorandum formalizes the Indiana Family and Social Services Administration (FSSA), Office of Medicaid Policy and Planning's (OMPP) analysis of the small business impact of LSA Document #13-530. This rule allows FSSA, OMPP, and FSSA's Division of Mental Health and Addiction (DMHA) to provide a new community-based service, Behavioral and Primary Health Care Coordination Services (BPHC).

**1915(i) Behavioral and Primary Health Care Coordination (BPHC) Services**

Under the proposed rule, adults nineteen (19) years of age and older who meet specific criteria for eligibility and level of need will be eligible to receive BPHC services. BPHC services consist of coordination of health care services to manage the physical and behavioral health care needs of recipients. These services allow the state to better manage the care of individuals with major mental illness and concurrent medical needs. It also provides continued Medicaid eligibility, and therefore access to Medicaid Rehabilitation Option (MRO) services, for approximately 4,600 current spend-down enrollees who will otherwise lose access to critical intensive mental health services due to the state's transition to 1634 status. In 2013, the Indiana Legislature enacted [IC 12-15-3-1.5](#) and [IC 12-15-2-3.5](#), which directed OMPP to implement this transition.

The projected implementation date for this proposed rule is June 1, 2014.

**Impact on Small Business**

The following section provides responses to the requirements outlined in [IC 4-22-2.1-5](#):

**1. An estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

[IC 5-28-2-6](#) defines a small business as a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

OMPP estimates that 25 small businesses will incur minimal additional costs to comply with the proposed rule for BPHC.

**2. An estimate of the average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule.**

OMPP estimates that small businesses will incur minimal additional costs, not to exceed \$500,000, to comply with this proposed rule, which does not meet the standard for impact.

**3. An estimate of the total annual economic impact that compliance will have on small businesses subject to the rule.**

Some providers may have minimal additional costs to update billing codes in their billing system and incur minimal staff costs for time spent completing the BPHC referral form. It is anticipated these additional costs would be well under \$500,000.

**4. A statement justifying any requirement or cost that is imposed by the proposed rule and not expressly required by law. The statement must reference any data, studies, or analyses relied upon by the agency in determining imposition of the requirement or cost is necessary.**

The proposed rule imposes no additional cost or requirements on small businesses.

**5. Any regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the same purpose.**

Because the impact to small business is less than \$500,000, completing a regulatory flexibility analysis is not required.

Other factors considered:

**A. Establishment of less stringent compliance or reporting requirements for small businesses.**

The rule has no impact on reporting requirements for small businesses.

**B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.**

The rule has no impact on schedules or deadlines for compliance or reporting requirements for small businesses.

**C. Consolidation or simplification of compliance or reporting requirements for small businesses.**

The rule has no impact on compliance or reporting requirements for small businesses.

**D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

The rule has no impact on performance or operational standards for small businesses.

**E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

This rule imposes no additional requirements or costs on small businesses.

If there are any programmatic or fiscal questions, please contact Matthew P. Cesnik at (317) 234-3394 or at [matthew.cesnik@fssa.in.gov](mailto:matthew.cesnik@fssa.in.gov). Questions regarding any other aspect of the proposed changes should be addressed to Matt Branich at (317) 232-1246 or at [matt.branich@fssa.in.gov](mailto:matt.branich@fssa.in.gov).

Please contact Matt Branich at (317) 232-1246 or e-mail him at [matt.branich@fssa.in.gov](mailto:matt.branich@fssa.in.gov) regarding the IEDC's comments about this proposed rule. The public hearing will be scheduled after receiving authorization from Legislative Services Agency to do so. Mr. Branich will then contact you to provide the date of the hearing for your convenience.

*Posted: 02/26/2014 by Legislative Services Agency*

An [html](#) version of this document.